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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Women

DD/A Registry 84-0759/11

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FROM:
Robert W. Magee
Director of Personnel
[redacted]

EXTENSION: [redacted]

NO.

DATE: 9 April 1984

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TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. DDA		1984	[redacted]	Attached is an interesting article on the women question sent to me by [redacted] At least we can take some solace from the fact that our rank situation is not unique to CIA. [redacted] Robert W. Magee Att
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WHY WOMEN AREN'T GETTING TO THE TOP

No women are on the fast track to the chief executive's job at any FORTUNE 500 corporation. That's incongruous, given the number of years women have been working in management. The reasons are elusive and tough for management to deal with. by *Susan Fraker*

TEN YEARS HAVE passed since U.S. corporations began hiring more than token numbers of women for jobs at the bottom rung of the management ladder. A decade into their careers, how far up have these women climbed? The answer: not as far as their male counterparts. Despite impressive progress at the entry level and in middle management, women are having trouble breaking into senior management. "There is an invisible ceiling for women at that level," says Janet Jones-Parker, executive director of the Association of Executive Search Consultants Inc. "After eight or ten years, they hit a barrier."

The trouble begins at about the $75,000 to $100,000 salary level, and seems to get worse the higher one looks. Only one company on FORTUNE's list of the 500 largest U.S. industrial corporations has a woman chief executive. That woman, Katharine Graham of the Washington Post Co. (No. 342), readily admits she got the job because her family owns a controlling share of the corporation.

More surprising, given that women have been on the ladder for ten years, is that none currently seems to have a shot at the top rung. Executive recruiters, asked to identify women who might become presidents or chief executives of FORTUNE 500 companies, draw a blank. Even companies that have women in senior management privately concede that these women aren't going to occupy the chairman's office.

Women have only four of the 154 spots this year at the Harvard Business School's Advanced Management Program—a prestigious 13-week conclave to which companies send executives they are grooming for the corridors of power. The numbers aren't much better at comparable programs at Stanford and at Dartmouth's Tuck School. But perhaps the most telling admission of trouble comes from men at the top. "The women aren't making it," confessed the chief executive of a FORTUNE 500 company to a consultant. "Can you help us find out why?"

RESEARCH ASSOCIATE *David Weld Stevens*

All explanations are controversial to one faction or another in this highly charged debate. At one extreme, many women—and some men—maintain that women are the victims of blatant sexism. At the other extreme, many men—and a few women—believe women are unsuitable for the highest managerial jobs: they lack the necessary assertiveness, they don't know how to get along in this rarefied world, or they have children and lose interest in—or time for—their careers. Somewhere in between is a surprisingly large group of men and women who see "discrimination" as the major problem, but who often can't define precisely what they mean by the term.

The discrimination they talk about is not the simple-minded sexism of dirty jokes and references to "girls." It is not born of hatred, or indeed of any ill will that the bearer may be conscious of. What they call discrimination consists simply of treating women differently from men. The notion dumbfounds some male managers. You mean to say, they ask, that managerial women don't want to be treated differently from men in any respect, and that by acting otherwise—as I was raised to think only decent and gentlemanly—I'm somehow prejudicing their chances for success? Yes, the women respond.

"Men I talk to would like to see more women in senior management," says Ann Carol Brown, a consultant to several FORTUNE 500 companies. "But they don't recognize the subtle barriers that stand in the way." Brown thinks the biggest hurdle is a matter of comfort, not competence. "At senior management levels, competence is assumed," she says. "What you're looking for is someone who fits, someone who gets along, someone you trust. Now that's subtle stuff. How does a group of men feel that a woman is going to fit? I think it's very hard."

The experience of an executive at a large Northeastern bank illustrates how many managerial women see the problem. Promoted to senior vice president several years ago, she was the first woman named to that position. But she now believes it will be many years before the bank appoints a woman executive vice president. "The men just don't feel comfortable," she says. "They make all sorts of excuses—that I'm not a banker [she worked as a consultant originally], that I don't know the culture. There's a smoke screen four miles thick. I attribute it to being a woman." Similarly, 117 of 300 women executives polled recently by UCLA's Graduate School of Management and Korn/Ferry International, an executive search firm, felt that being a woman was the greatest obstacle to their success.

A common concern among women, particularly in law and investment banking, is that the best assignments go to men. "Some de-

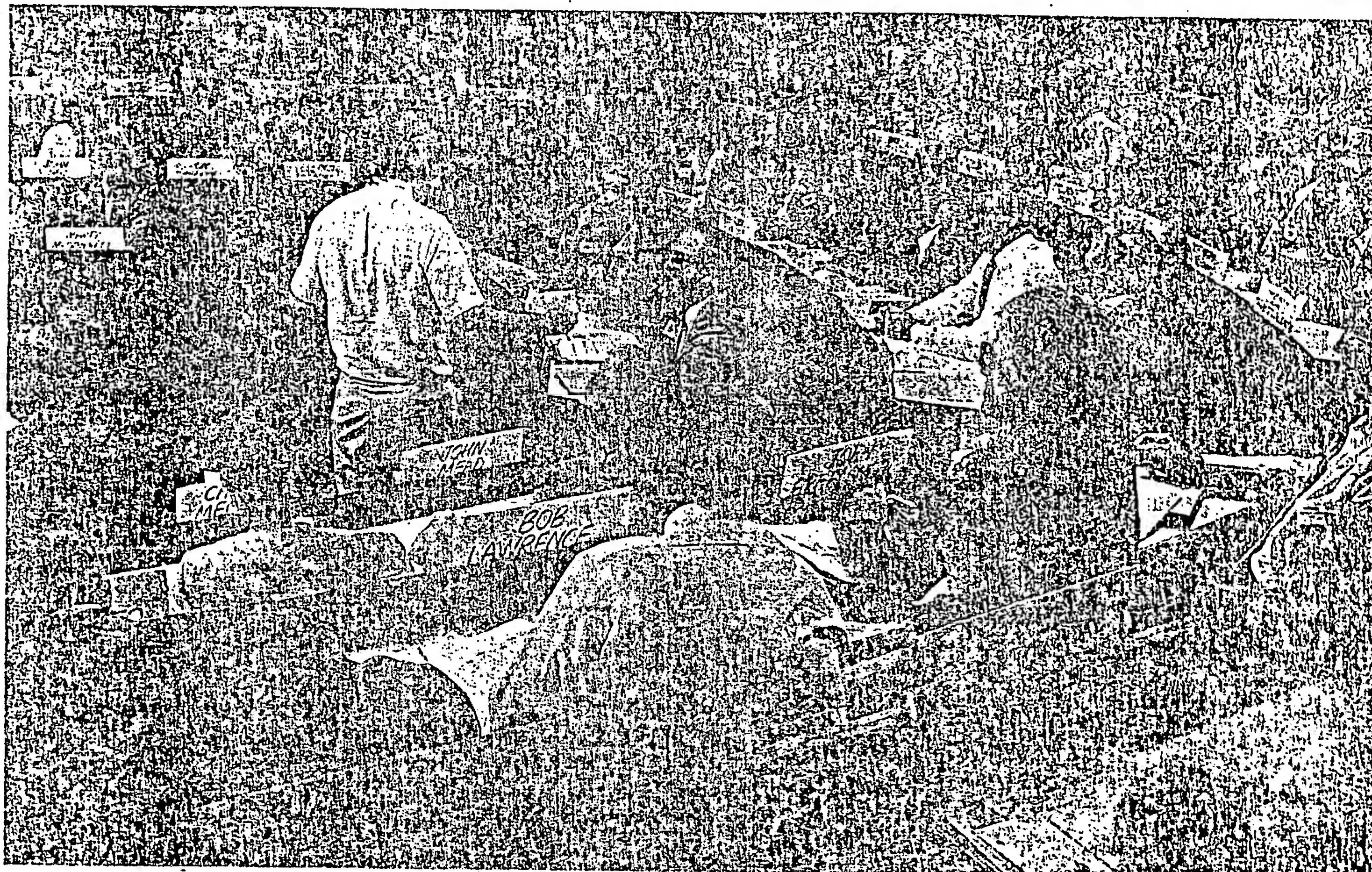
Executives with careers and children *face intense pressures. Karen Gonçalves, with Michael, 2, and Michelle, 6, quit to consult from her home.*

partments—like sales and trading or mergers and acquisitions—are considered more macho, hence more prestigious," says a woman at a New York investment bank. "It's nothing explicit. But if women can't get the assignments that allow them to shine, how can they advance?"

Women also worry that they don't receive the same kind of constructive criticism that men do. While these women probably overestimate the amount of feedback their male colleagues receive, even some men acknowledge widespread male reluctance to criticize a woman. "There are vast numbers of men who can't do it," says Eugene Jennings, professor of business administration at Michigan State University and a consultant to a dozen large companies. A male banking executive agrees: "A male boss will haul a guy aside and just kick ass if the subordinate performs badly in front of a client. But I heard about a woman here who gets nervous and tends to giggle in front of customers. She's unaware of it and her boss hasn't told her. But behind her back he downgrades her for not being smooth with customers."

Sometimes the message that has to be conveyed to a woman manager is much more sensitive. An executive at a large company says he once had to tell a woman that she should either cross her legs or keep her knees together when she sat. The encounter was obviously painful to him. "She listened

PHOTOGRAPH BY BRITAIN HILL



Companies send few women *to Harvard's Advanced Management Program. This 1982 photograph is used in the latest promotional material.*

to me and thanked me and expressed shock at what she was doing," he recalls, with a touch of agony in his voice. "My God, this is something only your mother tells you. I'm a fairly direct person and a great believer in equal opportunity. But it was damn difficult for me to say this to a woman whom I view to be very proper in all other respects."

Research by Anne Harlan, a human resource manager at the Federal Aviation Administration, and Carol Weiss, a managing associate of Charles Hamilton Associates, a Boston consulting firm, suggests that the situation doesn't necessarily improve as the number of women in an organization increases. Their study, conducted at the Wellesley College Center for Research on Women and completed in 1982, challenges the theory advanced by some experts that when a corporation attained a "critical mass" of executive women—defined as somewhere between 30% and 35%—job discrimination would vanish naturally as men and women began to take each other for granted.

Harlan and Weiss observed the effects of different numbers of women in an organization during a three-year study of 100 men and women managers at two Northeastern retailing corporations. While their sample of companies was not large, after their results were published, other companies said they had similar experiences. Harlan and Weiss found that while overt resistance drops quickly after the first few women become managers, it seems to pick up again as the number of women reaches 15%. In one company they studied, only 6% of the managers were women, compared with 19% in the second company. But more women in the second company complained of discrimination, ranging from sexual harassment to inadequate feedback. Could something other than discrimination—very different corporate cultures, say—have accounted for the result? Harlan and Weiss say no, that the two companies were eminently comparable.

Consultants and executives who think discrimination is the problem tend to believe it persists in part because the government has relaxed its commitment to affirmative action, which they define more narrowly than some advocates do. "We're not talking about quotas or preferential treatment," says Margaret Hennig who, along with Anne Jardim, heads the Simmons College Graduate School of Management. "That's stupid management. We just mean the chance to compete equally." Again, a semantic chasm separates women and men. Women like Hennig and Jardim think of affirmative action as a vigorous effort on the part of companies to ensure that women are treated equally and that sexist prejudices aren't permitted to operate. Men think the term means reverse discrimination, giving women preferential treatment.

Legislation such as the Equal Employment Opportunity Act of 1972 prohibits companies from discriminating against women in hiring. The laws worked well—indeed, almost too well. After seven or eight years, says Jennings of Michigan State, the pressure was off and no one pushed hard to see that discrimination was eliminated in selecting people for senior management. Jennings thinks the problem began in the latter days of the Carter Administration, when the economy was lagging and companies worried more about making money than about how their women managers were doing. The Reagan Administration hasn't made equal opportunity a priority either.

What about the belief that women fall behind not because of discrimination, but because they are cautious, unaggressive, and differently motivated than men—or less motivated? Even some female executives believe that women derail their careers by choosing staff jobs over high-risk, high-reward line positions. One woman, formerly with a large consumer goods company and now president of a market research firm, urges women to worry less about sexism and more about whether the jobs they take are the right route to the top. "I spent five years thinking the only reason I didn't become a corporate officer at my former company was because of my sex," she says. "I finally had to come to grips with the fact that I overemphasized being a woman and underemphasized what I did for a living. I was in a staff function—the company didn't live and die by what I did."

MEN AND WOMEN alike tend to believe that because women are raised differently they must manage differently. Research to support this belief is hard to come by, though. The women retail managers studied by Harlan and Weiss, while never quarterbacks or catchers, had no trouble playing on management teams. Nor did they perform less well on standardized tests measuring qualities like assertiveness and leadership. "Women don't manage differently," Harlan says flatly.

In a much larger study specifically addressing management styles, psychologists Jay Hall and Susan Donnell of Telemetrics International Inc., a management training company, reached the same conclusion. They matched nearly 2,000 men and women managers according to age, rank in their organization, kind of organization, and the number of people they supervised. The psychologists ran tests to assess everything from managerial philosophies to the ability to get along with people, even quizzing subordinates on their views of the boss. Donnell and Hall concluded, "Male and female managers do not differ in the way they manage the organization's technical and human resources."

Data on how women's expectations—and therefore, arguably, their performance—may differ from men's are more confusing. Stanford Professor Myra Strober studied 150 men and 26 women who graduated from the Stanford Business School in 1974. When she and a colleague, Francine Gordon, polled the MBAs shortly before graduation, they discovered that the women had much lower expectations for their peak earnings. The top salary the women expected during their careers was only 60% of the men's.

The chairman's support *is crucial, says Merck's equal-employment czar Larry Branch.*

Four years later the ratio had fallen to 40%.

Did this mean that women were less ambitious or were willing to take lower salaries to get management jobs? Strober doesn't think so. She says a major reason for the women's lower salary expectations was that they took jobs in industries that traditionally pay less, but which, the women thought, offered opportunities for advancement. Almost 20% of the women in her sample went into government, compared with 3% of the men. On the other hand, no women went into investment banking or real estate development, which each employed about 6% of the men. Strober points out, however, that investment banking and big-time real estate were all but closed to women in the early 1970s. "One way people decide what their aspirations are," she says, "is to look around and see what seems realistic. If you look at a field and see no women advancing, you may modify your goals."

Some of what Mary Anne Devanna found in her examination of MBAs contradicts Strober's conclusions. Devanna, research coordinator of the Columbia Business School's Center for Research in Career Development, matched 45 men and 45 women who graduated from the Columbia Business School from 1969 to 1972. Each paired man and woman had similar backgrounds, credentials, and marital status. The starting salaries of the women were 98% of the men's. Using data collected in 1980, Devanna found a big difference in the salaries men and women ultimately achieved, though. In manufacturing, the highest paying sector, women earned $41,818 after ten years vs. $59,733 for the men. Women in finance had salaries of $42,867 vs. $46,786 for the men. The gap in the service industries was smallest: $36,666 vs. $38,600. She then tested four hypotheses in seeking to explain the salary differences: (1) that women are less successful because they are motivated differently than men, (2) that motherhood causes women to divert attention from their careers, (3) that women seek jobs in low-paying industries, and (4) that women seek types of jobs—in human resources, say—that pay less.

Devanna found no major differences between the sexes in the importance they attached to the psychic or monetary rewards of work. "The women did not expect to earn

Karol Emmerich became pregnant, *Dayton Hudson worried she'd quit, so it promoted her.*

less than the men," she says. Nor did she find that motherhood led women to abandon their careers. Although several women took maternity leaves, all returned to work full time within six months. Finally, Devanna found no big differences in the MBAs' choice of industry or function, either when they took their first jobs or ten years later.

Devanna concluded that discrimination, not level of motivation or choice of job, accounted for the pay differences. Could the problem simply have been performance—that the women didn't manage as well as men? Devanna claims that while she couldn't take this variable into account specifically, she controlled for all the variables that should have made for a difference in performance—from family background to grades in business school.

In their discussions with male executives, researchers like Devanna hear a recurrent theme—a conviction that women don't take their careers seriously. Even though most female managers were regarded as extremely competent, the men thought they would eventually leave—either to have children or because the tensions of work became too much. Both are legitimate concerns. A woman on the fast track is under intense pressure. Many corporate types believe that she gets much more scrutiny than a man and must work harder to succeed. The pressures increase geometrically if she has small children at home.

Perhaps as a result, thousands of women have careers rather than husbands and children. In the UCLA-Korn/Ferry study of executive women, 52% had never married, were divorced, or were widowed, and 61% had no children. A similar study of male executives done in 1979 found that only 5% of the men had never married or were divorced and even fewer—3%—had no children.

Statistics on how many women bear children and then leave the corporation are incomplete. Catalyst, a nonprofit organization that encourages the participation of women in business, studied 815 two-career families in 1980. It found that 37% of the new mothers in the study returned to work within two months; 68% were back after 4½ months; 87% in eight months. To a company, of course, an eight-month absence is a long time. Moreover, the 10% or so who never come back—most males are convinced the figure is higher—represent a substantial capital investment lost. It would be naive to think that companies don't crank this into their calculation of how much the women who remain are worth.

Motherhood clearly slows the progress of women who decide to take long maternity leaves or who choose to work part time. But even those committed to working full time on their return believe they are sometimes held back—purposely or inadvertently. "Men make too many assumptions that women with children aren't free to take on time-consuming tasks," says Gene Kofke, director of human resources at AT&T. Karen Gonçalves, 34, quit her job as a consultant when she was denied challenging assignments after the birth of her daughter. "I was told clearly that I couldn't expect to move ahead as fast as I had been," she says. Later, when Gonçalves began working at the consulting firm of Arthur D. Little Inc. in Cambridge, Massachusetts, she intentionally avoided discussions of family and children: "I didn't keep a picture of my daughter in the office, and I would travel anywhere, no matter how hard it was for me."

SOMETIMES PREGNANCY is more of an issue for the men who witness it than for the women who go through it. Karol Emmerich, 35, now treasurer of Dayton Hudson Corp., was the first high-level woman at the department-store company to become pregnant. "The men didn't really know what to do," she recalls. "They were worried when I wanted to take three months off. But they wanted to encourage me to come back. So they promoted me to treasurer when I was seven months pregnant. Management got a lot of good feedback." Emmerich's experience would please Simmons Dean Anne Jardim, who worries that most organizations aren't doing enough to keep women who want to have children. "It's mind-boggling," she argues. "Either some of the brightest women in this

When they did studies of MBAs, *Myra Strober of Stanford (left) and Mary Anne Devanna of Columbia (right) found that, despite similar starting salaries, women's pay came to only about 80% of men's after several years on the job. Devanna found no differences in expectations between the men and women she studied. Strober discovered that the women she polled expected their peak salaries to be only 40% of the men's.*

country aren't going to reproduce or the companies are going to write off women in whom they have a tremendous investment."

To the corporation it may seem wasteful to train a woman and then be unable to promote her because she won't move to take the new job. The Catalyst study found that 40% of the men surveyed had moved for their jobs, vs. only 21% of the women. An argument can be made that an immobile executive is worth less to the corporation—and hence may be paid less.

Where women frequently do go is out of the company and into business for themselves. "When the achievements you want aren't forthcoming, it makes going out on your own easier," says a woman who has set up her own consultancy. "I was told I wouldn't make it into senior management at my bank. Maybe I just didn't have it. But the bank never found any woman who did. They were operating under a consent decree and they brought in a lot of women at the vice president level. Every single one of them left." Karen Gonçalves left Arthur D. Little to do part-time teaching and consulting when she was pregnant with her second child. "I didn't think I would get the professional satisfaction I wanted at ADL," she says.

From 1977 to 1980, according to the Small Business Administration, the number of businesses owned by women increased 33%, compared with an 11% increase for men—though admittedly the women's increase started from a much smaller base. While it's not clear from the numbers that women are entering the entrepreneurial ranks in greater numbers than they are joining corporations, some experts think so. "It's ironic," says Strober of Stanford. "The problem of the 1970s was bringing women into the corporation. The problem of the 1980s is keeping them there."

A few companies, convinced that women face special problems and that it's in the corporation's interest to help overcome them, are working hard at solutions. At Penn Mutual Life Insurance Co. in Philadelphia, where nearly half the managers are women, executives conducted a series of off-site seminars on gender issues and sex-role stereotypes. Dayton Hudson provides support (moral and financial) for a program whereby women in the company trade information on issues like personal financial planning and child care.

WHAT WOMEN NEED most, the experts say, are loud, clear, continuing statements of support from senior management. Women have come a long way at Merck, says B. Lawrence Branch, the company's director of equal employment affairs, because Chairman John J. Horan insisted that their progress be watched. Merck has a program that identifies 10% of its women and 10% of minorities as "most promising." The company prepares a written agenda of what it will take for them to move to the next level. Progress upward may mean changing jobs or switching functions, so Merck circulates their credentials throughout the company. "We have a timetable and we track these women carefully," says Branch. Since 1979 almost 40% of the net growth in Merck's managerial staff has been women.

Sensitive to charges of reverse discrimination, Branch explains that Merck has for years singled out the best employees to make sure they get opportunities to advance. Women, he notes, were consistently underrepresented in that group. In his view the tracking program simply allows women to get into the competition with fast-track men. Others might not be so charitable. Any company that undertakes to do something on behalf of its managerial women leaves itself open to the charge that it too is discriminating—treating women and men differently.

What everyone may be able to agree on is that opening corporations to competition in the executive ranks is clearly good for performance and profits. But how can a company do this? It can try to find productive part-time work for all employees who want to work part time—even managers. It can structure promotions so that fewer careers are derailed by an absence of a few months or the unwillingness to relocate. It can make sure that the right information, particularly on job openings, reaches everyone. Perhaps most importantly, it can reward its managers for developing talent of all sorts and sexes, penalize them if they don't, and vigilantly supervise the process. ■